What is European Union (EU) Digital Markets Act (DMA)?

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The Digital Markets Act (DMA) is a major European Union law designed to regulate big tech companies—called “gatekeepers”—to ensure fair competition, more choices for consumers, and better privacy.

It came into full effect in March 2024.

Who Are Gatekeepers?

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Companies that:

- Have huge user bases
- Control key digital platforms (OS, browsers, app stores, messaging, ads)
- Can influence the entire digital market
- Examples: Apple, Google, Meta, Amazon, Microsoft, ByteDance (TikTok).

Key Rules of the DMA

1. Interoperability : Messaging apps like WhatsApp, Messenger, etc., must allow users to communicate with other apps if they choose.

2. No Forced Bundling : Gatekeepers cannot force users to use preinstalled apps or services. Example: Apple must allow users to delete certain default apps.

3. Freedom to Use Third-Party Services : Platforms must allow:

- Third-party app stores
- Alternative payment systems
- Third-party browsers and search engines
- This prevents “lock-in” to one company’s ecosystem.

4. User Data Protection : Gatekeepers cannot combine user data from different services (e.g., Instagram + Facebook + WhatsApp) without explicit permission.

5. Fair Competition in App Stores : Rules require:

- Transparent app store policies
- No unfair promotion of their own apps over third-party apps
- Developers allowed to use their own payment systems

6. Restrictions on Targeted Advertising

- Especially for minors.
- Companies must get clear consent before using personal data for ads.

7. No Self-Preferencing : Gatekeepers cannot:

- Prioritize their own products/services in search results
- Block competitors unfairly
- Example: Google cannot push competitors down in search results.

8. Device & OS Rules : Companies must allow:

- Easier app sideloading
- Access to NFC, Bluetooth, APIs for competitors
- More choice in browser engines (e.g., Apple opening WebKit restrictions)
- This is why Apple changed App Store, iOS, WatchOS, and Wi-Fi sharing rules in the EU.

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Why the DMA Matters?

It aims to:

- Break monopolistic practices
- Increase consumer choice
- Support smaller tech companies
- Reduce dependency on big tech giants

Penalties for Breaking DMA Rules

Gatekeepers can face:

- Fines up to 10% of global revenue
- Up to 20% for repeat violations
- Structural remedies (breaking up parts of the company)